UNCLASSIFIED NOV 16 1951

(Classification)

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FOREIGN SERVICE DESPATCH

FROM: HICOG FRANKFURT

November 9, 1951

TO: THE DEPARTMENT OF STATE, WASHINGTON

POST or MDS. SENT: AIR POUCH

REF:

SUBJECT: Evacuation of German Scientists and Technicians from Central Germany (Operation Paper Clip)

For Dept. Use Only

REC'D NOV 13

ACTION: GER

INFO: DCR OLI L mi

The High Commissioner has received a communication from Dr. A. Smekal, spokesman for a group of scientists and technicians who were evacuated in 1945 from Saxony and Thuringia under "Operation Paper Clip".

In his letter Dr. Smekal has referred to a letter dated May 1951, addressed to the "Division of German Political Affairs", Department of State, subject "Evacuated German Scientists and Technicians from Central Germany". In his letter to the Department, Dr. Smekal raised several questions in connection with the compensation received by the evacuees. He presented an argument that additional compensation should be received as a result of the enactment of AHC Law No. 47, Article 5(b) of which provides that compensation for loss or damage arising from an act or omission occurring prior to June 21, 1948 should be assessed in Reichsmark to be converted on the basis of one Deutsche Mark for ten Reichsmark. Dr. Smekal also stated that a relatively small number of the evacuees have received no compensation whatsoever.

In his letter to Mr. McCloy Dr. Smekal requested that the High Commissioner "consider the suggestions and requests in our enclosed letter, and support our case".

While this Office is of the opinion that AHC Law No. 47 is not applicable in the instant case (since the evacuation took place on June 22 and 23, 1945, whereas Article 4(a) specifically excludes payment for losses or damages arising from an act or omission occurring prior to August 1, 1945) it appears that some injustice may have resulted as regards the group which has received no compensation whatsoever. The case has been discussed with representatives of Military Intelligence, European Command, who were responsible for the administration of Operation Paper Clip, and we are informed that all funds authorized for payment of claims arising out of the operation have been expended. Subsequent to the expenditure of the last funds available, a few additional claims were received from individuals who apparently had been unaware of the procedures established for filing of claims. Officials responsible for the payment of compensation are of the opinion that most of the remaining claims are meritorious, but additional funds have not been requested for payment of the claims, apparently because it was believed that a cutoff date should be arbitrarily established and claims received subsequent to that date left in abeyance. It appears that 19 such claims have been received totalling approximately DM 100,000 in value.

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REPORTER(S)

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(Classification) 290001-0825

This information is communicated to the Department on the chance that the Department may wish to suggest to the Department of Defense that the additional funds necessary be allocated to Military Intelligence, EUCOM, for the purpose of winding up the matter by providing compensation for these residual claimants.

F. S. Hannaman
Chief
Legal Service Division

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